

**BOARD OF COUNTY COMMISSIONERS
AGENDA ITEM SUMMARY**

Meeting Date: August 17, 2005

Division: County Administration

Bulk Item: Yes X No

Department: County Administration

Staff Contact Person: Thomas Willi

AGENDA ITEM WORDING:

Approval of First Amendment to Solid Waste and Recycling Collection Franchise Agreement with Waste Management Inc. of Florida.

ITEM BACKGROUND:

On May 19, 2004, the Board of County Commissioners approved an Agreement with Waste Management Inc. of Florida for the collection and management of solid waste and recyclables. This Amendment modifies Waste Management's audit accounting provisions.

PREVIOUS RELEVANT BOCC ACTION:

As stated above.

CONTRACT/AGREEMENT CHANGES:

As stated above.

STAFF RECOMMENDATIONS:

Approval.

TOTAL COST: -0-

BUDGETED: Yes No

COST TO COUNTY: -0-

SOURCE OF FUNDS:

REVENUE PRODUCING: Yes No **AMOUNT PER MONTH** **Year**

APPROVED BY: County Atty X OMB/Purchasing Risk Management

DIVISION DIRECTOR APPROVAL: Thomas J. Willi

Thomas J. Willi

DOCUMENTATION: Included X Not Required

DISPOSITION:

AGENDA ITEM #

**FIRST AMENDMENT TO SOLID WASTE AND RECYCLING COLLECTION
FRANCHISE AGREEMENT**

THIS FIRST AMENDMENT is entered into this day of _____, 2005, by and between Monroe County, a political subdivision of the State of Florida, ("County"), and Waste Management Inc. of Florida, a Florida corporation, ("Operator").

WHEREAS, on May 19, 2004, the parties entered into that certain SOLID WASTE AND RECYCLING COLLECTION FRANCHISE AGREEMENT BETWEEN THE BOARD OF COUNTY COMMISSIONERS OF MONROE COUNTY AND WASTE MANAGEMENT INC. OF FLORIDA (the "Agreement") for the collection and management of solid waste and recyclables; and

WHEREAS, the parties have determined that it is to their mutual benefit and interest that the term of the Agreement be modified;

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. All capitalized terms shall have the meanings given them in the Agreement unless specifically noted or the context of usage requires otherwise.
2. Section 6B is modified as follows:

B. Solid Waste and Recycling Collection Rate Adjustments:

For all Collection services, the charges shall be initially based on the rates established in Exhibit II, and as subsequently adjusted pursuant to this Agreement. The Franchisee shall receive an annual adjustment in the Residential Solid Waste Collection Service, Commercial Recycling Collection Service, Commercial Solid Waste Collection Service and Residential Recycling Collection Service rates. The adjustment shall be made to the combined category of Residential Solid Waste Collection Service and to Residential Recycling Collection Service and, separately to the combined category of Commercial Solid Waste Collection Service and Commercial Recycling Collection Service. At the end of the first year of this Agreement the adjustment might be made in accordance with the percentage change in the Consumer Price Index for all urban consumers (CPIU) for the most recent 12 months available.

If the Franchisor shall determine a need for same and upon 120 days' written notice by the Franchisor the year following the Franchisee's fiscal year hereby defined as January 1 through December 31, the Franchisee shall deliver to the Franchisor, in a format shown in Exhibit IV, (as may be further revised by the Contract Administrator from time to time), a compiled Financial Statement including, at a minimum, a balance sheet and an Income Statement representing the financial position and the results of

operations respectively of the Franchisee in ~~for~~ each Service Area. The report will be prepared by a Florida Certified Public Accountant, who has conducted a compilation of the Franchisee's books and records in accordance with generally accepted accounting standards.

The Franchisor and Franchisee understand and agree that time is of the essence regarding receipt of the compiled financial statement. Therefore, if the franchisee fails to provide the Franchisor with the financial statement on or prior to the date prescribed herein, the Franchisee shall pay the Franchisor the sum of one hundred dollars (\$100.00) per day for each calendar day the submittal is late. **No extension will be granted except for uncontrollable circumstances as referred to in Section 21.** No rate adjustments of any type will be granted to the Franchisee unless all required financial statements have been filed in a timely manner.

3. Sec. 27 is modified as follows:

The Franchisee shall maintain within Monroe County adequate records of all Solid Waste collection and recycling services. The Franchisor or its designee shall have the right to review all records maintained by the Franchisee upon 24 hours written notice. If the Franchisor shall determine a need for same and upon 120 days' written notice by the Franchisor in the year following the Franchisee's fiscal year, hereby defined as January 1 through December 31 financial statements will be prepared by a Florida independent certified public accounting firm prepared in accordance with generally accepted accounting principles, pertaining only to each individual Collection Agreement and Service Area, shall be delivered to the Franchisor no later than April 30 of the year following the Franchisee's fiscal year, hereby defined as January 1 through December 31. **No extensions will be granted, except for uncontrollable circumstances as referred to in Section 21.** No rate adjustments of any type will be granted to the Franchisee unless all required financial statements have been filed in a timely manner. Franchisee shall maintain all books, records and documents directly pertinent to performance under this Agreement in accordance with generally accepted accounting principles consistently applied. Each party to this Agreement or their authorized representatives shall have reasonable and timely access to such records of each other party to this Agreement for public records purposes during the term of the Agreement and for four years following the termination of this Agreement.

4. Exhibit IV, page 1, is modified as follows:

EXHIBIT IV

FINANCIAL REPORTING FORMAT

Franchisee shall submit to the Franchisor a compiled operating cost statement prepared in accordance with generally accepted accounting standards.

The Franchisee shall disclose as part of the Statement of Income and Expense all methods of allocations used to distribute costs between commercial and residential operations. The disclosure shall be in narrative form and include the basis for the allocation method.

The Franchisee shall provide a description of the expenses classified as Other Operating Costs and Other General and Administration.

Any allocations made will need to be disclosed in a narrative format, along with the basis for those allocations. Additionally, it is understood that each Franchisee shall utilize the accrual basis of accounting for income and expenses.

Attached is the required format for financial statement reporting in accordance with this Franchise Agreement.

5. Except as provided in this First Amendment, in all other respects the terms and conditions of the May 19, 2004 Agreement remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have set their hands and seats the day and year first above written

(SEAL)
ATTEST:
DANNY L. KOLHAGE, CLERK

BOARD OF COUNTY COMMISSIONERS
OF MONROE COUNTY, FLORIDA

By: _____
Deputy Clerk

By: _____
Mayor/Chairperson

(SEAL)
ATTEST:

WASTE MANAGEMENT INC. OF
FLORIDA

By: _____
Title: _____

By: _____
Title: _____